



Contact Information

Daniel Thompson
State Revolving Fund Planner
Department of Ecology
Water Quality Program
PO Box 47600
Lacey WA 98504-7600
Phone: 360-407-6510
Email: daniel.thompson@ecy.wa.gov

Organization

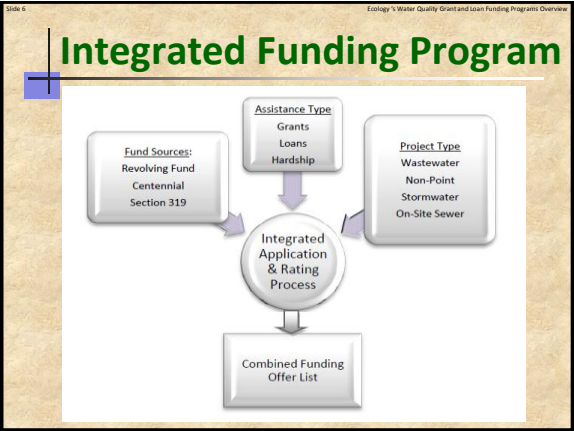
- Water Quality Program Goals
- Funding Sources
- Eligibility
- Types of Projects Funded
- Special Considerations for:
 - Financial Hardship for Wastewater Facility Construction
 - Preconstruction in Small Communities
 - Green Project Reserve (GPR)
- Application Requirements
- Estimated State Fiscal Year 2015 (SFY15) Funding
- SFY15 Funding Cycle Key Dates
- Rating and Ranking

Water Quality Program Goals

- Ecology's Water Quality Program goals guide the funding programs and eligibility
 - To prevent and clean up water pollution
 - To help communities make sustainable choices that reduce and prevent water quality problems
 - To provide water quality partners with technical and financial assistance

Funding Sources

- Water Pollution Control Revolving Fund (Revolving Fund or State Revolving Fund or SRF)
- Centennial Clean Water Program (Centennial)
- Clean Water Act Section 319 Program (Section 319 or 319)



State Revolving Fund (SRF)

- Subsidized loan program
- Funded through:
 - Federal grants
 - 20% state match
 - Repaid principal and interest
- Funds facilities and activities projects
- ~\$80M/year



SRF Interest Rates

- Based on tax-exempt municipal bonds rate
- For SFY15:
 - Twenty-year loan: 2.7% (60% of MR)
 - Five-year loan: 1.4% (30% of MR)

MR = Market Rate for tax-exempt municipal bonds

Centennial Program

- State grant program
- Funded from state sources
- Funds facilities and activities projects
- ~\$15M/year



Section 319 Program

- Funded through:
 - Federal grant
 - 40% state match
- Funds nonpoint source pollution control activities projects
- ~\$2M/year



Who is Eligible to Apply?

- Local Governments
- Federally Recognized Tribes
- Special Purpose Districts
- Non-profits (Section 319 only)



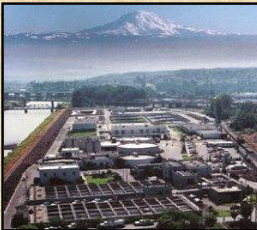
Types of Projects Funded

- Wastewater Facility Projects
- Stormwater Facility Projects
- Nonpoint Source Activity Projects
- On-site Sewage System Projects
- Plus, special categories:
 - Hardship
 - Preconstruction
 - Green Project Reserve (GPR)

Slide 13 Ecology's Water Quality Grant and Loan Funding Programs Overview

Facility – Definition

- A facility is a domestic wastewater or stormwater system, involved in:
 - Control
 - Collection
 - Storage
 - Treatment
 - Recycling
- Projects required by an NPDES permit



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Eligible Wastewater Facilities Projects (SRF and Hardship)



- Planning
 - Comprehensive sewer planning
 - Site-specific planning
 - Environmental review
 - Value engineering
 - Feasibility studies
- Design
- Construction (including administration, change orders, bid overruns, supplies/tools)
 - Upgrades, expansion, new
 - Collection sewers and pump stations
 - Infiltration and inflow correction
 - Combined sewer overflow abatement
 - Large on-site systems (LOSS)



Slide 15 Ecology's Water Quality Grant and Loan Funding Programs Overview

Eligible Stormwater Facility Projects (SRF)

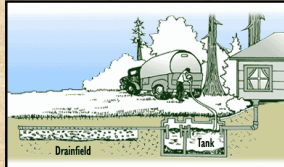
- Planning, design, and construction of Stormwater Infrastructure
- Implementation of low impact development (LID) techniques
- Any other work required by a stormwater NPDES permit

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Eligible On-site Sewage System Projects (SRF and Centennial)


- Planning, surveys, and public education and outreach
- Local loan programs for repair and replacement of residential or small commercial systems



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Nonpoint Source Activity – Definition

- An action to:
 - Control nonpoint sources of pollution that impact surface and groundwater
 - Protect and restore the water quality of:
 - Streams
 - Lakes
 - Estuary
 - Marine waters
 - Groundwater
 - Wetlands



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Eligible Nonpoint Source Activities Projects (SRF, Centennial, & Section 319)

- Implementation of approved best management practices (BMPs)
- Public outreach and education
- Lake/riparian/wetland restoration
- Groundwater/aquifer/wellhead protection
- Total Maximum Daily Load (TMDL) support
- Watershed planning
- Water quality monitoring
- Stormwater planning and outreach in non-permitted communities



Slide 19

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Generally Ineligible Projects

- Non clean-water projects (e.g. roads, bridges, drinking water systems)
- Individual homeowner work on private property
- Industrial projects
- Water quantity or flood control
- Operation, maintenance, repair costs

Slide 20

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Hardship – Wastewater Treatment Facility Construction

- For wastewater facility construction projects in small, financially distressed communities
- Criteria:
 - ≤25,000 people
 - Costs to existing residential ratepayer ≥2% of median household income (MHI) without subsidy
- For existing residential need
 - Standard loan for rest of project
- Subsidy options:
 - Centennial Grant
 - SRF forgivable principal loan
 - As low as 0% interest rate loans

Slide 21

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Hardship – Onsite Sewage Systems

- For local loan repair and replacement program
- A combination of grants and subsidized loans
 - Grants up to \$500K
 - Final interest rate reduced if loans are made to homeowner with incomes below the MHI

Slide 22

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Preconstruction (including Hardship)

- For wastewater/stormwater facility planning and design in small, less affluent communities
 - Comprehensive Sewer Planning
 - Feasibility Studies
 - Site-specific Facility Planning
 - Environmental Review
 - Value Engineering
 - Pre-design Reports
 - Design
- Criteria for funding:
 - ≤25,000 population
 - MHI ≤State MHI
- Criteria for hardship (up to 50% forgivable principal):
 - ≤25,000 population
 - MHI ≤80% State MHI

Slide 23

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Green Project Reserve (GPR)

- EPA defines Green Projects as practices that:
 - Complement hard or gray infrastructure with soft-path technologies
 - Reduce the environmental footprint of water treatment, collection, & distribution
 - Help utilities adapt to climate change
 - Enhance water and energy conservation
 - Adopt more sustainable solutions to wet weather flows
 - Promote innovative approaches to water management problems

Slide 24

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GPR Eligibility

- EPA requires that 10% of the EPA Grant for SRF be directed to GPR projects
- Can be a stand-alone or part of a larger project
- Must be eligible for SRF funding and meet EPA's criteria for:
 - Green Infrastructure
 - Energy Efficiency
 - Water Efficiency
 - Environmentally Innovative
- May include 25% forgivable principal loan

4

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Estimated Funding¹

Fund Source	SFY14	SFY15
SRF Loans (w/possible forgivable principal)	\$125 million	\$180 million ²
Centennial Grants (& Loans)	\$28 million (\$13 million dedicated)	\$22 million
Section 319 Grants	\$1.6 million	\$1.6 million ³

1 = Subject to change based on State Legislature appropriations for the 2013-15 Supplemental Biennial Budget and Congressional appropriations for the Federal Budget

2 = Based partially on Federal Fiscal Year 2013 Capitalization Grant

3 = Based on Federal Fiscal Year 2013 Federal Grant

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SFY15 Funding Set-asides

Revolving Fund	\$180,000,000
10% of Federal Grant for GPR (Facility or Activity)	\$2,322,440
75% for Facility Loans after GPR	\$133,258,170
20% for Nonpoint Activity Loans after GPR	\$35,535,512
5% for Preconstruction Loans after GPR	\$8,883,878
Additional Subsidization (Forgivable Principal)	\$1,093,620 - \$1,640,430
Centennial	\$22,000,000
33% for Hardship Facilities Grants	\$7,260,000
33% for Nonpoint Source Activities Grants	\$7,260,000
33% Competitive Grants	\$7,260,000
Section 319	\$1,600,000
100% for Nonpoint Source Activities Grants	\$1,600,000



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Funding Ceiling Amounts

Revolving Fund
50% of the funding in any category per project
20% of Preconstruction set-aside per project
Hardship Facility Subsidy
\$5 million per project--Centennial Grant + Forgivable Principal
Centennial/Section 319 Grants
\$250,000 per project if 25% match is cash + in-kind, etc.
\$500,000 per project if 25% match is cash

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Puget Sound Watershed



- Water Resource Inventory Areas (WRIA) 1-19
- Projects must be consistent with the Puget Sound Partnership's Action Agenda

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Growth Management Act (GMA)



- Applies to facilities projects in jurisdictions required to plan under the GMA
 - Compliance required before agreement signing
- Limited exceptions:
 - Public health need
 - Significant environmental degradation

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Step Process



- Required for wastewater and stormwater facilities projects
- Ecology approval at each Step before applying for funding for the next Step

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Step 1: Planning

- No prerequisites
- Project must include complete environmental review in Scope of Work

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Step 2: Design

- At the time of application:
 - Ecology approval of planning document
 - Complete State Environmental Review Process (SERP*)
 - Wastewater: SERP required at the time of application
 - Stormwater: SERP completed as part of design
 - Cost effectiveness analysis

*SERP required for "Treatment Works" as defined under Section 212 of the Clean Water Act

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Step 3: Construction

- At the time of application:
 - Ecology approval of planning and design documents
 - Complete SERP
 - Cost effectiveness analysis
- Prior to signing funding agreement:
 - Wastewater projects must meet Federal Cross Cutting requirements

Slide 34 Ecology's Water Quality Grant and Loan Funding Programs Overview

Step 4: Design & Construct

- Total project cost ≤ \$5 million
- At the time of application:
 - Ecology approval of planning document
 - Complete SERP for wastewater projects
 - SERP completed during design for stormwater projects
 - Cost effectiveness analysis
- Prior to obtaining reimbursement for wastewater projects:
 - Federal Cross Cutting requirements

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State Environmental Review Process (SERP)

- Required to apply for Step 2, Step 3, or Step 4 projects
- Separate from the Federal Cross Cutting requirements
- Ecology can adopt NEPA to satisfy SERP (and Federal Cross Cutting) requirements
- SERP guidance available on Ecology website
- Questions:
 - Alice.Rubin@ecy.wa.gov; 360-407-6429

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SERP Requirements

- Complete and well documented SEPA process
 - Keep Ecology involved throughout the process to ensure that Ecology can concur with the SEPA lead agency's determination
- Consideration of Alternatives and Cost Effectiveness Analysis
- Opportunity for public input including at least one public meeting
- Ecology's involvement in the process and concurrence with the final determination

Slide 37

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Federal Cross Cutting Requirements

- The National Historic Preservation Act
- Protection of Wetlands
- Flood Plain Management
- The Farmland Protection Policy Act
- The Coastal Zone Management Act
- Environmental Justice
- The Wild and Scenic Rivers Act
- The Endangered Species Act
- The Magnuson-Stevens Act (Essential Fish Habitat)
- The Clean Air Act
- The Safe Drinking Water Act (Sole Source Aquifers)

Slide 38

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SFY15 Funding Cycle

Fiscal Year 2015 Annual Water Quality Funding Cycle Process Steps

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graph TD
    A[Application Submittal  
Oct 1-Dec 4, 2013] --> B[Application Evaluation, Rating and Ranking  
Dec 2013-Jan 2014*]
    B --> C[Issue Draft Offer List to Legislature during budget development  
Feb 15, 2014*]
    C --> D[30-day Public Comment Period  
Feb-Mar, 2014*]
    D --> E[Issue Final Offer List and Funding Letters**  
July 1, 2014*]
    E --> F[Agreement Development  
July 2014-Jan 2015*]
    F --> G[Agreement/Project Management  
1-5 years]
    H[Agreement Close-Out] --> G
    I[Application Workshops  
Oct 8, 2013-Spokane  
Oct 9, 2013-Elensburg  
Oct 15, 2013-Lacey  
Oct 17, 2013-Everett] --> A
    J[January-March 2014: Legislative Session (Supplemental Budget)] --> C
    K[Governor's Supplemental Budget] --> B
```

* Estimated Dates

Slide 39

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Key Dates

- December 4, applications via EAGL due
- February 2014: draft funding list available
- March 2014: expected final budget
- July 1, 2014: final list, formal offers, money available from legislature
- January 31, 2015: agreements signed
- April 30, 2015: work underway
- July 1, 2017: activity projects complete
- July 1, 2019: facility projects complete

Slide 40

Ecology's Water Quality Grant and Loan Funding Programs Overview

Rating Criteria and Points

Rating Criteria	Points Available	Points Required
Scope of Work Form	0 – 250	---
Task Costs General Form	0 – 150	---
Water Quality and Public Health Improvements Form	0 – 250	125
Coordination with State and Federal Priorities Form	0 – 100	---
Project Team Form	0 – 50	---
Project Development, Local Support, and Past Performance Form	0 – 75	---
Readiness to Proceed Form	0 – 75	---
Financial Hardship Form	0 or 50	---
Total	0 – 1,000	600

Slide 41

Ecology's Water Quality Grant and Loan Funding Programs Overview

For Additional Information

- <http://www.ecy.wa.gov/programs/wq/funding/funding.html>
- <http://www.ecy.wa.gov/programs/wq/funding/cycles/FY2015/index.html>

QUESTIONS?